George Fasano, Jr.
Senior Vice President & Assistant Treasurer

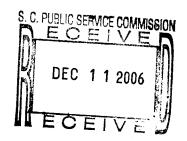
gfasano@scana.com

SA



December 8, 2006

Mr. Charles Terreni Chief Clerk and Administrator
Public Service Commission
of South Carolina
Post Office Box 11649
Columbia, SC 29211



Mr. Dan Arnett Chief of Staff Office of Regulatory Staff of South Carolina Post Office Box 11263 Columbia, SC 29211

Dear Mr. Terreni and Mr. Arnett:

In compliance with PSC Order 2005-365 in Docket No. 2005-6-G, enclosed please find the report on South Carolina Pipeline Corporations' hedging activities for the period 5/30/06 to 6/28/06.

If you have any questions concerning this report, please do not hesitate to call.

Sincerely,

George Fasano, Jr.

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Attachments:

Market to Market Results – Hedging of prior month Risk Management Program Adjustments Futures Transactions and Additional Cost Effect on Cost of Gas Program Results Contracts Purchased in Advance of Spot Month

GF/ccs

Mark to Market Results For the Hedging of July 2006 Volumes 5/30 - 6/28

Mark to Market vs. Average Market Price

Contract Settle

5.887

			Sales			Purchases		
	Doto	On the state	5 .	Mark to	_		Mark to	Daily
	<u>Date</u>	Contracts	<u>Price</u>	<u>Market</u>	Contracts	<u>Price</u>	<u>Market</u>	<u>Settle</u>
1	05/30/06	-	-	\$0	-	_	\$0	6.123
2	05/31/06	-	-	\$0	+	_	\$ 0	6.384
3	06/01/06	-	-	\$0	-	•	\$ 0	6.448
4	06/02/06	-	-	\$0	-	-	\$0	6.623
5	06/05/06	-	-	\$0	-	-	\$0	6.463
6	06/06/06	-	-	\$0	-	-	\$0	6.385
7	06/07/06	-	-	\$0	-	-	\$0	5.974
8	06/08/06	-	-	\$0	-	-	\$0	6.191
9	06/09/06	-	•	\$0	-	-	\$0	6.172
10	06/12/06	-	-	\$0	-	-	\$0	6.224
11	06/13/06	-	-	\$0	-	-	\$0	6.163
12	06/14/06	•	-	\$0	-	-	\$0	6.590
13	06/15/06	•	-	\$0	-	-	\$0	7.207
14	06/16/06	-	-	\$0	-	-	\$0	7.185
15	06/19/06	-	-	\$0	-	-	\$0	6.893
16	06/20/06	-	-	\$0	-	-	\$0	6.502
17	06/21/06	-	-	\$0	-	-	\$0	6.588
18	06/22/06	-	-	\$0	-	-	\$0	6.439
19	06/23/06	-	-	\$0	-	-	\$0	6.226
		0	_	•	0			
		Ū	•	-	U		\$ -	
					om futures transa		\$ (161,250)	
					om option transac		\$ (32,400)	**
				Gain/(Loss) fr	om financial trans	actions	\$ (193,650)	
20	06/26/06	0	0.000	\$0	0	0.000	\$0	5.969
21	06/27/06	0	0.000	\$0	0	0.000	\$0	6.107
22	06/28/06	0	0.000	\$0	0	0.000	\$0	5.887
		0		\$0	0		\$0	6.3974
				_				
				Program	Results			
		NYMEX Average Mark Purchase Price Achiev		l Scenario			\$ 6.3974	
		Difference Ratio of Contract in No	ormal Scenario	to Total Contract	ls in Plan		6.3974	
		Price Gain (Loss) per	Normal Scenar	io			-	
		Adjustment for Contra					<u>-</u>	
		Adjustment for Contra		her mign-huce 2	сепапо		(0.8728)	
		Total Price Gain (Loss Contracts In Plan)				(0.8728)	
		Gain (Loss) vs Averag	a Market Drice				14	
		Cami (Ecos) vs Aveldy	e mainel file			;	\$ (122,193)	

South Carolina Pipeline Corporation Risk Management Program Adjustments Through June 2006

								2006	ø								Total
	Janu	January	February		March		April	E		June		γnγ	Augus	35	ptember	,	2006
Commissions	49	924	46	69	1,612	69	•	G	,	337						69	6,467
Software		2,073	2,093		2,054		1,885	•	1,987	2,016							12,088
Subscriptions	•	909	•	_	4,500		4,500	•	500	4,500							27,000
Data Feed		788		_	280		280		730	280							1,738
Non Hedging Addition to Cost of Gas		8,317	9,945	1	8,456		6,675		6,757	7,143		-].			47,283
Hedging Additions\{Subtractions}	(1,01	(1,015,950)	1,005,450		700,900					298,700	1						989,100
Total Risk Management Program Adj.	\$ (1,00)	\$ (1,007,633) \$ 1,	\$ 1,015,395	•	709,356	•	6,675	.	6,757	305,843	4		•	•	•	"	1,036,393

								200		Meanite silice illegacon of program	5											
	Aug 19	Aug-Dec 1996	Total 1996		Total 1997		lotal 1998	Total 1999		Total 2000	F 6	Total 2001	Total 2002	 	Total 2003		Total 2004	Total 2005	- CO - F	Total 2006		Total
Commissions	69	3,924	\$ 53,121	69	83,496	69	59,112	56,1	96 \$	50,197	69	38,459	\$ 49,41	55 69	42,907	G	12,468	\$ 17	7,127 \$	6,46	₩.	472,892
Software		4,215	9,547		8,847		8,412	8,412	112	17,063		29,176	21,782	2	12,082		25,549	æ	63,482	12,088		220,655
Subscriptions		9,582	23,038		25,676		31,277	31,1	88	34,387		31,240	31,18	&	51,054		54,000	22	00	27,000		403,630
Data Feed		2,061	5,296		6,429		5,305	'n	575	4,200		4,235	4,41	က	5,568		6,104	9	3,569	1,73		55,483
Non Hedging Addition to Cost of Gas		19,782	91,002		124,448		104,106	99,374	374	105,847		103,110	106,798	 	111,610		98,121	141	141,178	47,293		,152,669
Hedging Additions\Subtractions)	Ö	94,600)	(284,600) (3,722,050)		27,450	e,	410,280	(838,620	(02)	(4,136,410)	12,6	12,684,200	11,012,500	اً	(14,781,610)		2,315,013	(1,999,310	(310)	989,100		4,675,923
Total Risk Management Program Adj.	\$	54,818)	\$ (264,818) \$ (3,631,048) \$ 151,898 \$ 3,	~	151,898	3,	514,366	(739,246)	~i	(4,030,563)	\$ 12,7	12,787,310	\$ 11,119,298	•	(14,670,000)	I	\$ 2,413,134	\$ (1,858,132)	,132) \$	1,036,393	•	5,828,592

South Carolina Pipeline Corporation Futures Transactions and Additional Costs Effect on Cost of Gas Through June 2006

Month	_Yr	Cost of Gas Without Futures	Cost of Gas With Futures & Additional Costs	Addition to/ (Subtraction from) Cost of Gas
1995 Total		26,240,595	25,975,777	(264,818)
1996 Total		113,461,568	109,830,520	(3,631,048)
1997 Total		132,211,553	132,363,451	151,898
1998 Total		81,397,552	84,911,918	3,514,366
1999 Total		96,671,309	95,932,063	(739,246)
2000 Total		177,625,268	173,594,705	(4,030,563)
2001 Total		203,284,081	216,071,391	12,787,310
2002 Total		143,116,542	154,235,840	11,119,298
2003 Total		208,851,322	194,181,322	(14,670,000)
2004 Total		214,449,674	216,862,809	2,413,134
January	05	31,376,227	31,386,047	9,820
February	05	31,647,818	33,364,785	1,716,967
March	05	21,587,016	23,276,836	1,689,820
April	05	11,514,840	11,524,311	9,471
May	05	7,597,756	8,071,334	473,578
June	05	5,495,508	6,232,685	737,177
July	05	6,170,920	6,396,572	225,652
August	05	6,710,804	6,652,645	(58,159)
September	05	9,046,551	8,502,469	(544,082)
October	05	39,957,076	38,363,561	(1,593,515)
November	05	52,200,827	49,792,717	(2,408,110)
December	05	78,864,161	76,747,410	(2,116,751)
January	06	68,436,085	67,428,452	(1,007,633)
February	06	32,171,593	33,186,988	1,015,395
March	06	21,318,456	22,027,812	709,356
April	06	8,631,309	8,637,984	6,675
May	06	7,206,629	7,213,386	6,757
June	06	6,013,388	6,319,231	305,843
Total		\$1,843,256,428	\$1,849,085,021	\$ 5,828,592

South Carolina Pipeline Corporation Program Results Through July 2006

								2006						Total
	January February	Febru	ary	Marc	Į.	April	¥	<u></u>	June		July	August	September	2008
NYMEX Average Market Price	\$ 13.5143 \$ 9.3231	oi ∳	3231	.7	7944	6.9274	9	.3345	\$ 6.4116	69	6.3974			6
Purchase Price Achieved per Normal Scenario	•	Oi	0900	7	.9022	•					•			,
Difference	13.5143		0.3171	9	1078)	6.9274	<u> </u>	3346	6.4116	1	6.3974	,		-
Ratio of Contracts in Normal Scenario to Total Contracts in						•			•		•			
Price Gain (Loss) - Normal Scenario	,		,			•					•			
Adjustment for Contracts Purchased per Low-Price Scenar	•					1					•			
Adjustment for Contracts Purchased per High-Price Scena						•			(1.0069)	_	(0.8728)			
Total Price Gain (Loss)	3.9647								(1.0069)		(0.8728)			
	3		168		8	•			8		. 4			75
Gain (Loss) vs Average Market Price	\$ 2,140,950 \$ 532,728	\$ 632	1,728	(8)	(120)		-	 	\$ (201,382)	-	(122,183)			\$ 2263.08
														-

•							Result	Results since Inception of program	on of program							
	Aug-Dec	Total	Total	Total		Total	Total	Total	Total	Total	_	Total	Total	Total		
	1996	1996	1997	1998		1999	2000	2001	2002	2003	_	2007	2005	2006		Total
NYMEX Average Market Price	, ••	·	••	49	5	•		•	, 69	₩.	<i>چ</i>	٠	•	4	es.	•
Purchase Price Achieved per Normal Scenario	1	•	•					•	•			,	•	•	•	•
Difference	•		,			,					 -					
Ratio of Contracts in Normal Scenario to Total Contracts in Plan	Plan								•							
Price Galn (Loss) - Normal Scenario													1	•		•
Adjustment for Contracts Purchased per Low-Price Scenario	۰								•			•	•	•		
Adjustment for Contracts Purchased per High-Price Scenario	Ą								*					•		
Total Price Gain (Loss)											 -					
Contracts in Plan	212	1,359	2,074		2,431	2,327	2,206	2,307	2.266		856	731	1,008	346	•	18 122
Gain (Loss) vs Average Market Price	\$ 49,364	49,364 \$ 1324,047 \$	\$ (131,938)	(1,672,7	\$ (08)	,772,863	1,294,857	\$ (11,388,358	(12,400,430)	\$ 10,379,	\$ 577.	(1,518,924)	\$ 1,343,901	\$ 2,263,06	2	3,694,563)

South Carolina Pipeline Corporation Contracts Purchased in Advance of Spot Month Updated Through June 28, 2006

Contract	Type of	5-1		Sales					Purchas	- DC	
Month	Type of <u>Security</u>	Date	Number of		Total			lumber of	· uronac	-	Total
MOTAL	Security	<u>Purchased</u>	<u>Contracts</u>	<u>Price</u>	<u>Dollar</u>	<u>'s</u>	9	Contracts	<u>Price</u>		<u>Dollars</u>
August 2006	Futures	02/13/06					_				Dollars
- g-01 <u>- 0</u> 00	dules	02/15/06	-		\$	-		4	8.040	\$	321,600
		02/15/06	-		\$	-		4	7.900		316,000
		02/26/06	-		\$	-		4	7.350		294,000
				_	\$	_				\$	201,000
			-			-		12		\$	931,600
			Puroboo neis				Per	<u>Dekatherm</u>		Т	otal Dollars
			Purchase pric	e or rutures	contracts		\$	7.7633		\$	(931,600)
			Current value Total deferred	or outstand	ling futures	•	\$	6.1600		\$	739,200
			rotal deletted	yanıv(1055)	ļ		\$	(1.6033)		\$	(192,400)
	Options	05/23/06	-		\$			_			
			_		\$	_		2	0.770	\$	15,400
			-	-	*					\$	-
						_		2		\$	15,400
			Purchase price	a of pall and	d			<u>Dekatherm</u>		<u>T</u>	otal Dollars
			Current value	of outstand	ions		\$	0.7700		\$	(15,400)
			Total deferred	or outstand nain/loce/	ing calls		\$	0.1780		\$	3,560
***************************************	***************************************			94111(1033)			\$	(0.5920)	:	\$	(11,840)
September 2006	Futures	02/13/06		***************************************			***************************************	***************************************	***************************************	***************************************	***************************************
		02/15/06	-		\$	-		3	8.100	\$	243,000
		02/28/06	-		>	-		3	7.950	\$	238,500
		05/31/06	_		\$ •	-		3	7.440		223,200
		30/01/00	_		\$ •	-		2	6.680	\$	133,600
					<u> </u>				_	\$	_
			_			-		11		\$	838,300
			Purchase price of futures contracts					<u>Dekatherm</u>		To	tal Dollars
			Current value	or iulures of outstand	contracts		\$ 7.6209			\$	(838,300)
			Total deferred	n outstandi gain//less/	ng rutures		\$	6.4250	_	\$	706,750
			Total delened	gan I/(1055)			\$	(1.1959)		\$	(131,550)
	Options	05/23/06	-	\$	6	-		1	0.970	\$	9,700
			-	_ 1	3	-				\$	9,700
			-	-		-		1	-	\$	9,700
							Per (<u>Dekatherm</u>		To	tal Dollars
			Purchase price	of call opti	ons		\$	0.9700		\$ 10	(9,700)
			Current value of	f outstandi	ng calls		\$	0.4250		\$ \$	(9,700) 4,250
			Total deferred (gain/(loss)			\$	(0.5450)		\$ \$	(5,450)
***************************************							•	.=== .==,	=	<u> </u>	(0,400)